

<b>Buy</b> <b>EUR 22.00</b> (EUR 26.00)  Price <b>EUR 16.10</b> <b>Upside 36.6 %</b>	<b>Value Indicators:</b> EUR DCF: 21.67	<b>Warburg ESG Risk Score: 2.3</b> ESG Score (MSCI based): 2.0 Balance Sheet Score: 5.0 Market Liquidity Score: 0.0	<b>Description:</b> Online-Sport-Bettingprovider with a strong focus on horse racing
	<b>Market Snapshot:</b> EUR m Market cap: 69.6 No. of shares (m): 4.3 EV: 61.3 Freefloat MC: 40.9 Ø Trad. Vol. (30d): 75.09 th	<b>Shareholders:</b> Freefloat 58.8 % Management 8.9 % Tullina AG 7.5 % dicons AG 7.1 % Weiss media 6.9 %	<b>Key Figures (WRe):</b> 2021e Beta: 1.7 Price / Book: 4.8 x Equity Ratio: 49 %

## New business segment to be established

pferdewetten.de AG has announced that it plans to enter the retail business (branches / franchise) of sports betting under its own brand "sportwetten.de". The plans, which were announced on November 2, 2021, will have a very significant impact on business development in the short and medium term. With management's explanation of medium-term planning, it also became clear that the existing business in the second half of the year is unlikely to meet the original expectations (WRe) for 2021. The publication of the Q3 figures is planned for November 14.

Planning Retail	Month 1-12	13-24	25-36	37-48
Number of shops	76	108	132	156
Hold in EUR m	11	32	43	55
EBIT EUR m	-5.8	-1.8	+0.01	+1.6

Source: Pferdewetten.de AG

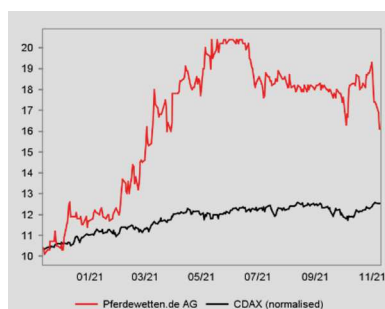
**Short-term earnings expectations:** After the first half of the year fell slightly short of expectations, the management board mentioned some major negative factors that are set to impact FY 2021. The traditional horse-betting business is around EUR 1.2m below plan (partly due to the victory of the outsider "Tasso" and the resulting pay-outs). The sports-betting segment is also showing a shortfall of around EUR 1.7m compared to the plan (bad luck for the bookmakers, which also shows the necessity for potential improvement in risk management). Furthermore, an additional EUR 1.1m was invested in the marketing of the sports-betting segment. These operational developments trigger a drastic reduction in our forecasts for the current year (WRe). Investment of around EUR 2.2m is planned to build up the **new retail division:** Together with the owners of sports-betting software, a subsidiary will be founded in which pferdewetten.de AG will hold a 70%-stake. To finance the new company, pferdewetten.de AG is granting a loan of up to EUR 8m. The core of the strategy is the high competitiveness of the company's own shop software. The retail success also traditionally enables very high margins without betting limits. A customer card is also planned for Shop & Online ("The street advertises the sportwetten.de brand"). A synergy effect is that horse-betting can also be rolled out in the shops. The acquisition of franchisees should succeed primarily with an economically competitive offer and high-quality software. Apart from that, the largest competitor ("Tipico") is subject to legal restrictions preventing potential franchisees from opening additional branches. Here, too, the new offering should provide opportunities. The valuation of the share is essentially based on the incorporation of the core planning assumptions into the model and a higher beta. The new price target is **EUR 22. The share continues to be rated Buy.**

### Changes in Estimates:

FY End: 31.12. in EUR m	2021e (old)	+ / -	2022e (old)	+ / -	2023e (old)	+ / -
<b>Sales</b>	19.5	-5.1 %	21.5	39.9 %	23.6	111.9 %
<b>EBIT</b>	3.9	n.m.	4.4	n.m.	5.2	n.m.

### Comment on Changes:

- Evaluating these plans from the point of view of financial analysis, it is a matter of establishing a company in the early phase. However, since this could represent the essential value of the company in the medium term, the entire company is now being reassessed.
- In addition to taking aggressive growth forecasts (WRe) into account, the model (DCF) now calculates a significantly higher beta of 1.7 (1.3). This also represents the much higher earnings volatility, even in the legacy business (2021 massive burdens mentioned above).



### Rel. Performance vs CDAX:

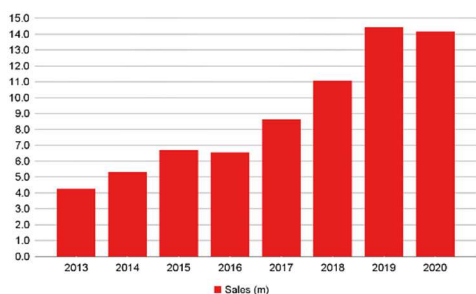
1 month:	-16.8 %
6 months:	-21.8 %
Year to date:	24.0 %
Trailing 12 months:	32.0 %

### Company events:

15.11.21 Q3

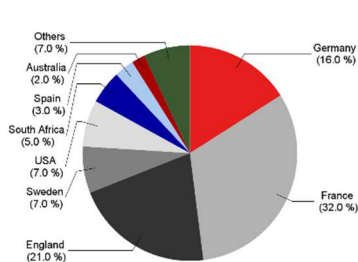
FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e
<b>Sales</b>	52.2 %	8.6	11.1	14.4	14.2	18.5	30.0	50.0
Change Sales yoy		31.7 %	28.3 %	30.2 %	-1.8 %	30.5 %	62.2 %	66.7 %
Gross profit margin		75.4 %	56.4 %	57.0 %	61.9 %	64.3 %	50.7 %	40.0 %
<b>EBITDA</b>	-	2.6	1.2	3.0	3.0	-1.4	-1.0	0.0
Margin		29.8 %	10.5 %	21.0 %	21.4 %	-7.7 %	-3.3 %	0.0 %
<b>EBIT</b>	-	2.2	0.8	2.4	2.5	-2.2	-1.8	-0.8
Margin		26.0 %	7.2 %	16.9 %	17.9 %	-12.0 %	-6.0 %	-1.6 %
<b>Net income</b>	-52.2 %	2.6	-0.5	3.3	1.5	-1.3	0.1	0.2
<b>EPS</b>	-51.0 %	0.60	-0.11	0.77	0.34	-0.30	0.01	0.04
<b>EPS adj.</b>	-51.0 %	0.60	-0.11	0.77	0.34	-0.30	0.01	0.04
<b>DPS</b>	24.4 %	0.14	0.16	0.20	0.26	0.30	0.40	0.50
Dividend Yield		1.1 %	1.5 %	1.9 %	2.5 %	1.9 %	2.5 %	3.1 %
<b>FCFPS</b>		0.48	0.44	0.94	0.36	-0.51	-0.20	0.11
<b>FCF / Market cap</b>		3.9 %	4.1 %	9.0 %	3.4 %	-3.2 %	-1.2 %	0.7 %
<b>EV / Sales</b>		5.3 x	3.5 x	2.4 x	2.4 x	3.3 x	2.1 x	1.3 x
<b>EV / EBITDA</b>		17.8 x	33.0 x	11.5 x	11.2 x	n.a.	n.a.	n.a.
<b>EV / EBIT</b>		20.4 x	47.8 x	14.3 x	13.4 x	n.a.	n.a.	n.a.
<b>P / E</b>		20.3 x	n.a.	13.6 x	31.0 x	n.a.	n.a.	402.5 x
<b>P / E adj.</b>		20.3 x	n.a.	13.6 x	31.0 x	n.a.	n.a.	402.5 x
<b>FCF Potential Yield</b>		6.2 %	-0.6 %	10.9 %	5.4 %	-1.6 %	-1.0 %	0.2 %
<b>Net Debt</b>		-6.9	-8.3	-10.4	-11.6	-8.3	-6.2	-4.9
<b>ROCE (NOPAT)</b>		41.3 %	n.a.	63.6 %	24.7 %	n.a.	n.a.	n.a.
<b>Guidance:</b>	n.a.							

**Sales development**  
in EUR m



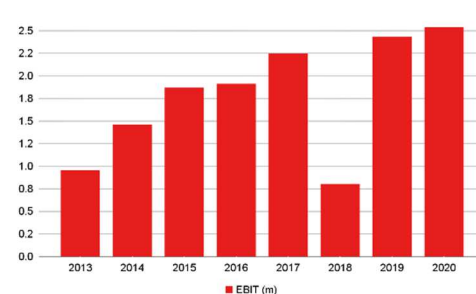
Source: Warburg Research

**Sales by regions (Events)**  
2021e; WRe; in %



Source: Warburg Research

**EBIT development**  
in EUR m



Source: Warburg Research

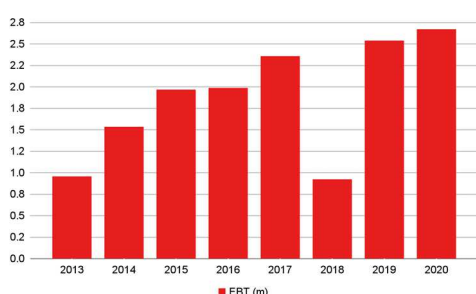
**Company Background**

- Pferdewetten.de is an online betting provider with a strong focus on horse racing and is one of the top 2 providers in Germany.
- In May 2017 the Board announced the reentering of the sportsbetting market with Pferdewetten's two platforms sportwetten.de and sportwetten.com

**Competitive Quality**

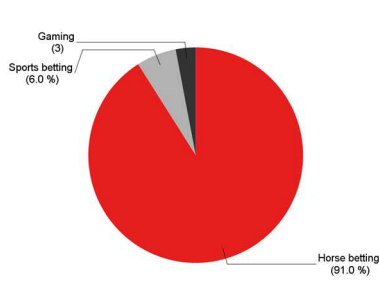
- Pferdewetten.de AG has a very good positioning in the niche market for horse betting and has valuable market know-how thanks to its own bookmaker software.
- The company has an active and loyal customer base in the horse betting sector.
- The outsourcing of platform operations as part of the restart of sportwetten.de and sportwetten.com by the betting odds provider BetConstruct enables a strong focus on customer acquisition.
- Furthermore, BetConstruct offers a state-of-the-art product portfolio, which is always kept at the highest level in terms of technology and product range.

**EBT development**  
in EUR m



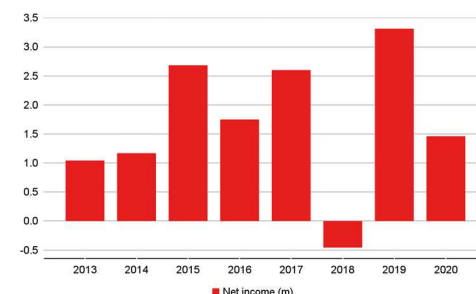
Source: Warburg Research

**GGR by segment**  
2021e; in %



Source: Warburg Research

**Net income development**  
in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	
Sales	18.5	30.0	50.0	62.5	75.0	81.8	88.3	95.4	102.0	108.1	113.6	118.1	121.6	
Sales change	30.5 %	62.2 %	66.7 %	25.0 %	20.0 %	9.0 %	8.0 %	8.0 %	7.0 %	6.0 %	5.0 %	4.0 %	3.0 %	2.0 %
EBIT	-2.2	-1.8	-0.8	5.0	11.3	12.3	13.2	14.3	15.3	16.2	17.0	17.7	18.2	
EBIT-margin	-12.0 %	-6.0 %	-1.6 %	8.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	
Tax rate (EBT)	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	
NOPAT	-1.8	-1.4	-0.6	4.0	9.0	9.8	10.6	11.4	12.2	13.0	13.6	14.2	14.6	
Depreciation	0.8	0.8	0.8	2.2	2.6	2.8	3.0	3.2	3.3	3.5	3.6	3.7	3.8	
in % of Sales	4.3 %	2.7 %	1.6 %	3.5 %	3.5 %	3.4 %	3.4 %	3.3 %	3.3 %	3.2 %	3.2 %	3.2 %	3.1 %	
Changes in provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	-0.4	-0.6	-0.9	0.4	0.4	0.5	0.4	0.3	0.2	0.2	0.2	0.1	0.1	
- Capex	1.6	0.8	0.6	1.6	1.9	2.0	2.2	2.4	2.6	2.7	2.8	3.0	3.0	
Capex in % of Sales	8.6 %	2.7 %	1.2 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	-2.2	-0.8	0.5	4.2	9.3	10.1	11.0	11.9	12.8	13.6	14.3	14.8	15.3	15
PV of FCF	-2.2	-0.8	0.4	3.1	6.1	6.0	5.9	5.7	5.6	5.3	5.0	4.7	4.4	48
share of PVs	<b>-2.63 %</b>			<b>53.36 %</b>										<b>49.27 %</b>

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.70
Cost of debt (after tax)	3.5 %	Liquidity (share)	1.70
Market return	7.00 %	Cyclicality	1.70
Risk free rate	1.50 %	Transparency	1.70
		Others	1.70
<b>WACC</b>	<b>10.85 %</b>	<b>Beta</b>	<b>1.70</b>

Valuation (m)

Present values 2033e	49		
Terminal Value	48		
Financial liabilities	1		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	15		
Market val. of investments	0		
Liquidity	12	No. of shares (m)	4.3
<b>Equity Value</b>	<b>94</b>	<b>Value per share (EUR)</b>	<b>21.67</b>

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.88	11.9 %	18.12	18.32	18.53	18.75	18.98	19.22	19.48	1.88	11.9 %	16.48	17.23	17.99	18.75	19.50	20.26	21.02
1.79	11.4 %	19.39	19.63	19.87	20.13	20.40	20.69	20.99	1.79	11.4 %	17.72	18.52	19.32	20.13	20.93	21.74	22.54
1.75	11.1 %	20.08	20.33	20.60	20.88	21.17	21.49	21.82	1.75	11.1 %	18.39	19.22	20.05	20.88	21.71	22.54	23.37
1.70	10.9 %	20.81	21.08	21.37	21.67	21.99	22.34	22.70	1.70	10.9 %	19.10	19.96	20.82	21.67	22.53	23.38	24.24
1.65	10.6 %	21.58	21.87	22.18	22.52	22.87	23.24	23.63	1.65	10.6 %	19.86	20.75	21.63	22.52	23.40	24.28	25.17
1.61	10.4 %	22.39	22.71	23.05	23.41	23.79	24.20	24.63	1.61	10.4 %	20.67	21.58	22.49	23.41	24.32	25.24	26.15
1.52	9.9 %	24.16	24.54	24.95	25.38	25.83	26.32	26.85	1.52	9.9 %	22.43	23.41	24.39	25.38	26.36	27.34	28.32

- We anticipate strong sales growth as a result of entering the sports betting market.
- Due to the market entry and Corona, we expect a temporarily declining EBIT margin.

Valuation	2017	2018	2019	2020	2021e	2022e	2023e
Price / Book	3.8 x	3.6 x	2.9 x	2.6 x	4.8 x	5.9 x	7.4 x
Book value per share ex intangibles	2.73	2.31	3.04	3.49	2.64	2.05	1.55
EV / Sales	5.3 x	3.5 x	2.4 x	2.4 x	3.3 x	2.1 x	1.3 x
EV / EBITDA	17.8 x	33.0 x	11.5 x	11.2 x	n.a.	n.a.	n.a.
EV / EBIT	20.4 x	47.8 x	14.3 x	13.4 x	n.a.	n.a.	n.a.
EV / EBIT adj.*	20.4 x	47.8 x	14.3 x	13.4 x	n.a.	n.a.	n.a.
P / FCF	25.6 x	24.4 x	11.1 x	29.6 x	n.a.	n.a.	157.5 x
P / E	20.3 x	n.a.	13.6 x	31.0 x	n.a.	n.a.	402.5 x
P / E adj.*	20.3 x	n.a.	13.6 x	31.0 x	n.a.	n.a.	402.5 x
Dividend Yield	1.1 %	1.5 %	1.9 %	2.5 %	1.9 %	2.5 %	3.1 %
FCF Potential Yield (on market EV)	6.2 %	-0.6 %	10.9 %	5.4 %	-1.6 %	-1.0 %	0.2 %

\*Adjustments made for: -

**Consolidated profit & loss**

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
<b>Sales</b>	<b>8.6</b>	<b>11.1</b>	<b>14.4</b>	<b>14.2</b>	<b>18.5</b>	<b>30.0</b>	<b>50.0</b>
Change Sales yoy	31.7 %	28.3 %	30.2 %	-1.8 %	30.5 %	62.2 %	66.7 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.0	0.0	0.0	0.0	0.8	0.2	0.0
<b>Total Sales</b>	<b>8.6</b>	<b>11.1</b>	<b>14.4</b>	<b>14.2</b>	<b>19.3</b>	<b>30.2</b>	<b>50.0</b>
Material expenses	2.1	4.8	6.2	5.4	7.4	15.0	30.0
<b>Gross profit</b>	<b>6.5</b>	<b>6.2</b>	<b>8.2</b>	<b>8.8</b>	<b>11.9</b>	<b>15.2</b>	<b>20.0</b>
<i>Gross profit margin</i>	<i>75.4 %</i>	<i>56.4 %</i>	<i>57.0 %</i>	<i>61.9 %</i>	<i>64.3 %</i>	<i>50.7 %</i>	<i>40.0 %</i>
Personnel expenses	2.4	3.1	3.3	3.7	5.2	7.2	9.5
Other operating income	0.4	0.3	0.4	0.5	0.6	0.9	1.5
Other operating expenses	1.9	2.3	2.4	2.6	8.7	9.9	12.0
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>2.6</b>	<b>1.2</b>	<b>3.0</b>	<b>3.0</b>	<b>-1.4</b>	<b>-1.0</b>	<b>0.0</b>
<i>Margin</i>	<i>29.8 %</i>	<i>10.5 %</i>	<i>21.0 %</i>	<i>21.4 %</i>	<i>-7.7 %</i>	<i>-3.3 %</i>	<i>0.0 %</i>
Depreciation of fixed assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITA</b>	<b>2.6</b>	<b>1.2</b>	<b>3.0</b>	<b>3.0</b>	<b>-1.4</b>	<b>-1.0</b>	<b>0.0</b>
Amortisation of intangible assets	0.3	0.4	0.6	0.5	0.8	0.8	0.8
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>2.2</b>	<b>0.8</b>	<b>2.4</b>	<b>2.5</b>	<b>-2.2</b>	<b>-1.8</b>	<b>-0.8</b>
<i>Margin</i>	<i>26.0 %</i>	<i>7.2 %</i>	<i>16.9 %</i>	<i>17.9 %</i>	<i>-12.0 %</i>	<i>-6.0 %</i>	<i>-1.6 %</i>
<b>EBIT adj.</b>	<b>2.2</b>	<b>0.8</b>	<b>2.4</b>	<b>2.5</b>	<b>-2.2</b>	<b>-1.8</b>	<b>-0.8</b>
Interest income	0.1	0.1	0.2	0.1	0.0	0.0	0.0
Interest expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBT</b>	<b>2.4</b>	<b>0.9</b>	<b>2.5</b>	<b>2.7</b>	<b>-2.2</b>	<b>-1.8</b>	<b>-0.8</b>
<i>Margin</i>	<i>27.3 %</i>	<i>8.3 %</i>	<i>17.6 %</i>	<i>18.8 %</i>	<i>-12.0 %</i>	<i>-6.0 %</i>	<i>-1.6 %</i>
Total taxes	-0.2	1.4	-0.8	1.2	-0.4	-0.4	-0.2
<b>Net income from continuing operations</b>	<b>2.6</b>	<b>-0.5</b>	<b>3.3</b>	<b>1.5</b>	<b>-1.8</b>	<b>-1.4</b>	<b>-0.6</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income before minorities</b>	<b>2.6</b>	<b>-0.5</b>	<b>3.3</b>	<b>1.5</b>	<b>-1.8</b>	<b>-1.4</b>	<b>-0.6</b>
Minority interest	0.0	0.0	0.0	0.0	-0.5	-1.5	-0.8
<b>Net income</b>	<b>2.6</b>	<b>-0.5</b>	<b>3.3</b>	<b>1.5</b>	<b>-1.3</b>	<b>0.1</b>	<b>0.2</b>
<i>Margin</i>	<i>30.1 %</i>	<i>-4.1 %</i>	<i>23.0 %</i>	<i>10.3 %</i>	<i>-6.9 %</i>	<i>0.2 %</i>	<i>0.3 %</i>
Number of shares, average	4.3	4.3	4.3	4.3	4.3	4.3	4.3
<b>EPS</b>	<b>0.60</b>	<b>-0.11</b>	<b>0.77</b>	<b>0.34</b>	<b>-0.30</b>	<b>0.01</b>	<b>0.04</b>
EPS adj.	0.60	-0.11	0.77	0.34	-0.30	0.01	0.04

\*Adjustments made for:

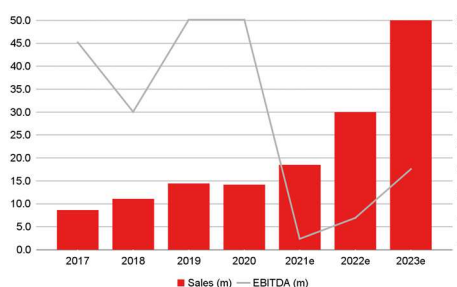
**Guidance: n.a.**

**Financial Ratios**

	2017	2018	2019	2020	2021e	2022e	2023e
Total Operating Costs / Sales	70.2 %	89.5 %	79.0 %	78.6 %	112.0 %	104.0 %	100.0 %
Operating Leverage	0.6 x	-2.3 x	6.7 x	-2.3 x	n.a.	-0.3 x	-0.8 x
EBITDA / Interest expenses	367.9 x	n.a.	178.3 x	189.4 x	n.a.	n.a.	n.a.
Tax rate (EBT)	-10.3 %	149.6 %	-30.5 %	45.3 %	20.0 %	20.0 %	20.0 %
Dividend Payout Ratio	23.3 %	n.m.	26.1 %	77.0 %	n.m.	n.m.	n.m.
Sales per Employee	254,147	263,929	335,744	329,605	430,233	697,674	1,162,791

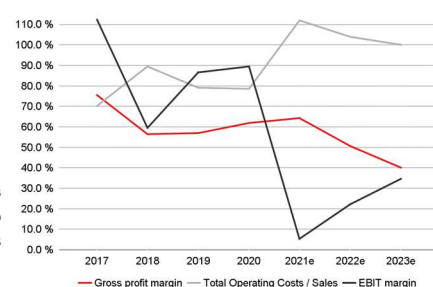
**Sales, EBITDA**

in EUR m

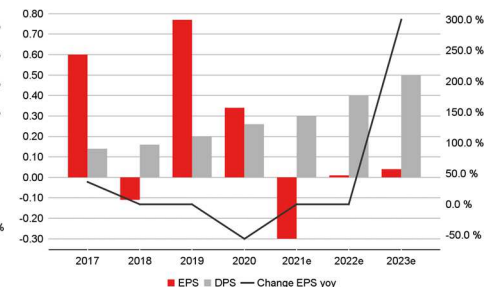


**Operating Performance**

in %



**Performance per Share**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

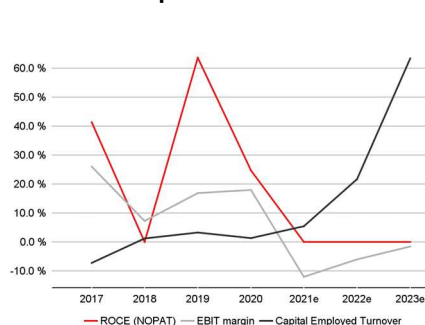
### Consolidated balance sheet

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
<b>Assets</b>							
Goodwill and other intangible assets	3.2	3.0	2.7	2.4	3.1	3.0	2.7
thereof other intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
thereof Goodwill	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Property, plant and equipment	0.3	0.3	1.3	1.2	1.3	1.4	1.5
Financial assets	4.8	5.5	5.9	8.2	8.2	8.2	8.2
Other long-term assets	0.5	0.5	0.5	0.5	0.5	0.5	0.5
<b>Fixed assets</b>	<b>8.9</b>	<b>9.3</b>	<b>10.4</b>	<b>12.3</b>	<b>13.1</b>	<b>13.1</b>	<b>12.9</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	1.1	1.0	2.1	2.3	2.7	4.4	7.4
Liquid assets	6.9	8.3	11.4	12.5	9.2	7.0	5.8
Other short-term assets	2.2	2.3	4.2	4.4	4.4	4.4	4.4
<b>Current assets</b>	<b>10.2</b>	<b>11.6</b>	<b>17.7</b>	<b>19.2</b>	<b>16.3</b>	<b>15.9</b>	<b>17.6</b>
<b>Total Assets</b>	<b>19.1</b>	<b>20.9</b>	<b>28.0</b>	<b>31.5</b>	<b>29.4</b>	<b>29.0</b>	<b>30.5</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Capital reserve	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Retained earnings	7.2	6.0	8.7	9.3	6.9	5.6	4.1
Other equity components	0.3	0.3	0.6	1.7	1.1	-0.3	-1.2
Shareholders' equity	14.0	12.9	15.8	17.5	14.5	11.9	9.4
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total equity</b>	<b>14.0</b>	<b>12.9</b>	<b>15.8</b>	<b>17.5</b>	<b>14.5</b>	<b>11.9</b>	<b>9.4</b>
Provisions	0.1	0.1	0.0	0.0	0.0	0.0	0.0
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	0.0	0.0	1.0	0.8	0.8	0.8	0.8
Short-term financial liabilities	0.0	0.0	0.2	0.2	0.2	0.2	0.2
Accounts payable	1.0	1.2	2.1	2.8	3.6	5.9	9.8
Other liabilities	4.0	6.7	9.1	10.4	10.4	10.4	10.4
<b>Liabilities</b>	<b>5.1</b>	<b>8.0</b>	<b>12.1</b>	<b>14.0</b>	<b>14.9</b>	<b>17.2</b>	<b>21.1</b>
<b>Total liabilities and shareholders' equity</b>	<b>19.1</b>	<b>20.9</b>	<b>28.0</b>	<b>31.5</b>	<b>29.4</b>	<b>29.0</b>	<b>30.5</b>

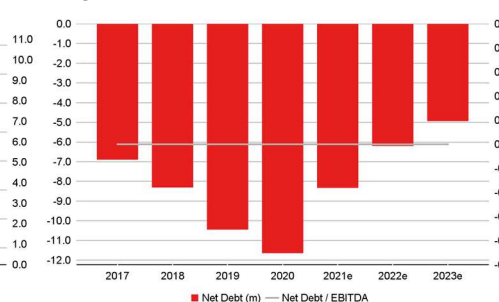
### Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	22.1 x	79.2 x	10.5 x	22.4 x	52.9 x	-200.0 x	-52.6 x
Capital Employed Turnover	1.2 x	2.4 x	2.7 x	2.4 x	3.0 x	5.3 x	11.2 x
ROA	29.1 %	-4.9 %	31.9 %	11.9 %	-9.7 %	0.5 %	1.2 %
<b>Return on Capital</b>							
ROCE (NOPAT)	41.3 %	n.a.	63.6 %	24.7 %	n.a.	n.a.	n.a.
ROE	20.2 %	-3.4 %	23.0 %	8.8 %	-8.0 %	0.5 %	1.5 %
Adj. ROE	20.2 %	-3.4 %	23.0 %	8.8 %	-8.0 %	0.5 %	1.5 %
<b>Balance sheet quality</b>							
Net Debt	-6.9	-8.3	-10.4	-11.6	-8.3	-6.2	-4.9
Net Financial Debt	-6.9	-8.3	-10.4	-11.6	-8.3	-6.2	-4.9
Net Gearing	-49.2 %	-64.3 %	-66.0 %	-66.6 %	-57.5 %	-52.2 %	-52.5 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	3.6	3.0	3.7	4.0	3.4	2.7	2.2
Book value per share ex intangibles	2.7	2.3	3.0	3.5	2.6	2.1	1.6

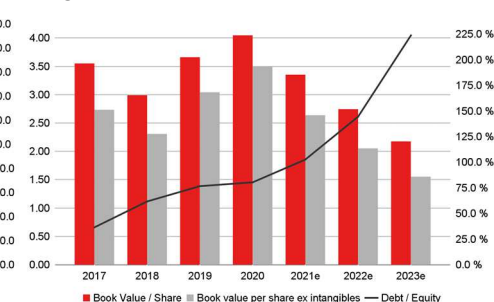
### ROCE Development



### Net debt in EUR m



### Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

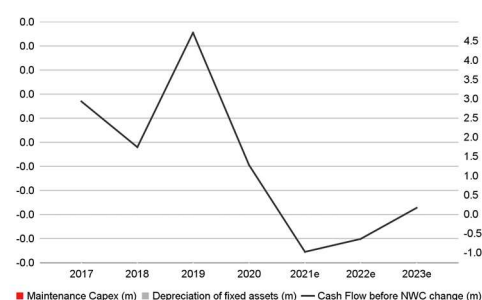
### Consolidated cash flow statement

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	2.6	-0.6	3.3	1.5	-1.8	-1.4	-0.6
Depreciation of fixed assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.3	0.4	0.6	0.5	0.8	0.8	0.8
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash income and expenses	0.0	1.9	0.8	-0.7	0.0	0.0	0.0
<b>Cash Flow before NWC change</b>	<b>2.9</b>	<b>1.7</b>	<b>4.7</b>	<b>1.3</b>	<b>-1.0</b>	<b>-0.6</b>	<b>0.2</b>
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in accounts receivable	-0.1	0.1	-1.1	-0.1	-0.4	-1.7	-3.0
Increase / decrease in accounts payable	-0.6	0.2	0.9	0.7	0.8	2.3	3.9
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	-0.7	0.3	-0.3	0.6	0.4	0.6	0.9
<b>Net cash provided by operating activities [1]</b>	<b>2.3</b>	<b>2.0</b>	<b>4.4</b>	<b>1.9</b>	<b>-0.6</b>	<b>0.0</b>	<b>1.1</b>
Investments in intangible assets	-0.2	0.0	0.0	0.0	-1.5	-0.7	-0.5
Investments in property, plant and equipment	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.3	0.3	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.4	0.0	0.0	0.0
<b>Net cash provided by investing activities [2]</b>	<b>-0.2</b>	<b>-0.1</b>	<b>-0.6</b>	<b>-0.3</b>	<b>-1.6</b>	<b>-0.8</b>	<b>-0.6</b>
Change in financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	-0.5	-0.6	-0.7	-0.9	-1.1	-1.3	-1.7
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.3	0.0	0.0	0.0
<b>Net cash provided by financing activities [3]</b>	<b>-0.5</b>	<b>-0.6</b>	<b>-0.7</b>	<b>-0.5</b>	<b>-1.1</b>	<b>-1.3</b>	<b>-1.7</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>1.5</b>	<b>1.3</b>	<b>3.1</b>	<b>1.1</b>	<b>-3.3</b>	<b>-2.1</b>	<b>-1.3</b>
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	8.5	8.2	11.4	12.5	9.2	7.0	5.8

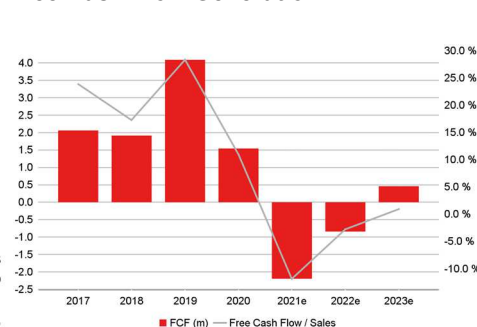
### Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
<b>Cash Flow</b>							
FCF	2.1	1.9	4.1	1.5	-2.2	-0.8	0.5
Free Cash Flow / Sales	23.8 %	17.2 %	28.3 %	10.9 %	-11.9 %	-2.8 %	0.9 %
Free Cash Flow Potential	2.8	-0.2	3.8	1.8	-1.0	-0.6	0.2
Free Cash Flow / Net Profit	79.2 %	-417.5 %	123.2 %	105.5 %	171.9 %	-1400.0 %	287.5 %
Interest Received / Avg. Cash	1.7 %	1.6 %	1.7 %	1.0 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	14.9 %	n.a.	3.6 %	1.8 %	0.0 %	0.0 %	0.0 %
<b>Management of Funds</b>							
Investment ratio	2.3 %	0.9 %	0.7 %	0.6 %	8.6 %	2.7 %	1.2 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	60.8 %	27.9 %	16.8 %	16.0 %	200.0 %	100.0 %	75.0 %
Avg. Working Capital / Sales	-3.2 %	-0.7 %	-0.5 %	-1.6 %	-3.8 %	-4.0 %	-3.9 %
Trade Debtors / Trade Creditors	105.9 %	82.6 %	103.5 %	81.4 %	75.0 %	74.6 %	75.5 %
Inventory Turnover	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Receivables collection period (days)	46	32	54	58	53	54	54
Payables payment period (days)	179	90	121	188	178	144	119
Cash conversion cycle (Days)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

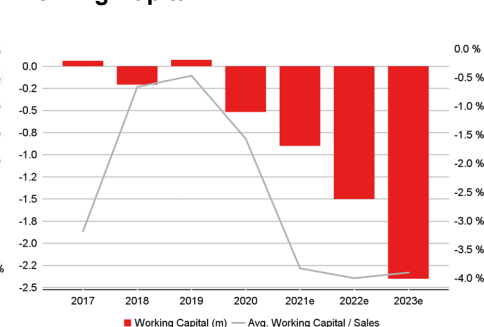
### CAPEX and Cash Flow in EUR m



### Free Cash Flow Generation



### Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research



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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	<b>Buy:</b>	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	<b>Hold:</b>	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	<b>Sell:</b>	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	<b>Rating suspended:</b>	The available information currently does not permit an evaluation of the company.

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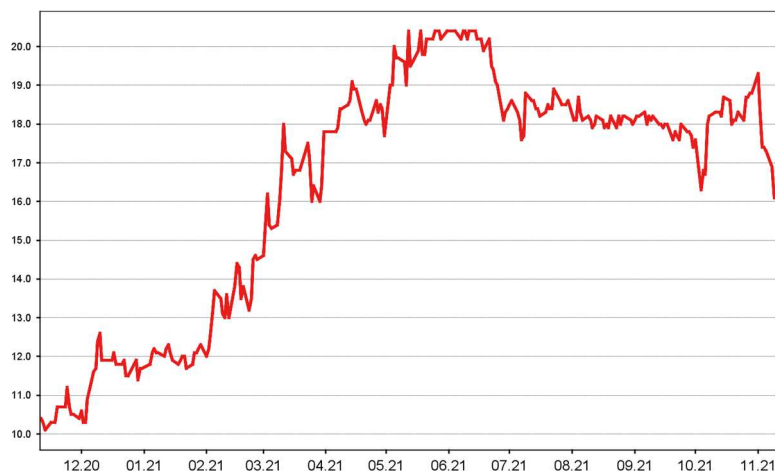
Rating	Number of stocks	% of Universe
Buy	151	70
Hold	57	27
Sell	5	2
Rating suspended	2	1
<b>Total</b>	<b>215</b>	<b>100</b>

**WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...**

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	49	83
Hold	8	14
Sell	0	0
Rating suspended	2	3
<b>Total</b>	<b>59</b>	<b>100</b>

**PRICE AND RATING HISTORY PFERDEWETTEN.DE AS OF 10.11.2021**



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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